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STUDENTS FINANCE BOARD ANNUAL REPORT 1991

Sessional Paper 14/92
4 Session, 22 Legislature

Alberta
STUDENTS FINANCE BOARD

93-01998/

Alberta
ADVANCED EDUCATION

Office of the Minister

227 Legislature Building, Edmonton, Alberta, Canada T5K 2B6 403/427-2291 Fax 403/427-2610

June, 1992

The Honourable Dr. David J. Carter
Speaker of the Legislative Assembly of Alberta

Dear Mr. Speaker:

It is my privilege to transmit the Annual Report of the Students Finance Board for the period from April 1, 1990 to March 31, 1991.

Respectfully submitted,

John Gogo
Minister of Advanced Education

STUDENTS FINANCE BOARD
ANNUAL REPORT
1991

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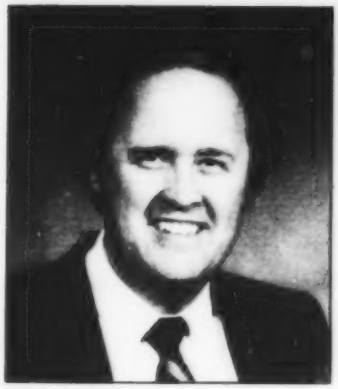


HARLEY TORGERSON
Chairman
Calgary
1987-1993

CHRISTINE M. BARKER
Student Member
St. Albert
1990-1993

WAYNE GUSTAFSON
Student Member
Lacombe
1988-1992

DAVID HANCOCK
Public Member
Edmonton
1985-1992

MAUREEN HOUGHTON
Public Member
Fort McMurray
1990-1993

GUY HOULE
Public Member
Fort McMurray
1990-1993

SYLVIA LANGLOIS
Public Member
Calgary
1985-1991

FRED HEMINGWAY
Chief Executive Officer
Joined the staff of the Students Finance Board in 1971 and was appointed Chief Executive Officer in 1978.

BRIDGET PASTOOR
Public Member
Lethbridge
1990-1993

GEORGE PATZER
Public Member
Hanna
1990-1993

ED REIERSON
Public Member
Stettler
1990-1993

SI SIVAM
Public Member
Edmonton
1986-1992

REPORT OF THE STUDENTS FINANCE BOARD

We have the honour to submit the Annual Report for the year ending March 31, 1991.

The Students Finance Board, which is comprised of nine public members and two student members, is appointed by the Minister of Advanced Education. The Board is charged with the responsibility of administering Alberta's student aid programs including the Alberta Heritage Scholarship Fund, and acts in an advisory capacity to the Minister on matters relating to student financial assistance.

In July, 1990, Mr. Harley Torgerson was appointed Chairman of the Students Finance Board following the retirement of Mr. Mark Tims who had served as Chairman since July, 1984.

During 1990-91 Alberta students received assistance amounting to $217,097,411 under the need-based programs administered by the Board compared to $215,109,024 in the previous reporting period. Under the Alberta Heritage Scholarship program 7,354 scholarship recipients received awards totalling $10,086,662 in 1990-91.

During 1990-91 as a result of recommendations arising from the Students Finance Board program review, the following changes were implemented:

- student assistance limits were increased from $6,800 to $7,500 per academic year for all students;
- annual undergraduate loan limits were increased from $4,300 to $5,000 per academic year;
- undergraduate lifetime loan limits were increased from $19,800 to $25,000;
- a formal audit unit was established;
- parental contribution requirements were reduced;
- students were required to maintain reasonable academic progress to be eligible for continued funding, and
- a revised remission policy was implemented whereby remission is no longer payable on Canada Student Loans and debt limits are established under which remission is not payable.

These changes resulted in:

- a reduction in remission awarded from $33,236,270 in 1989-90 to $20,858,622 in 1990-91;
- a reduction in the amount of funding awarded on appeals relating to parental contribution from $4,491,936 in 1989-90 to $2,577,553 in 1990-91;
- a decrease in the number of students assisted from 52,069 students in the previous reporting period to 49,903 students in 1990-91, and
- an increase in the average award issued from $4,120 in 1989-90 to $4,358 in 1990-91.

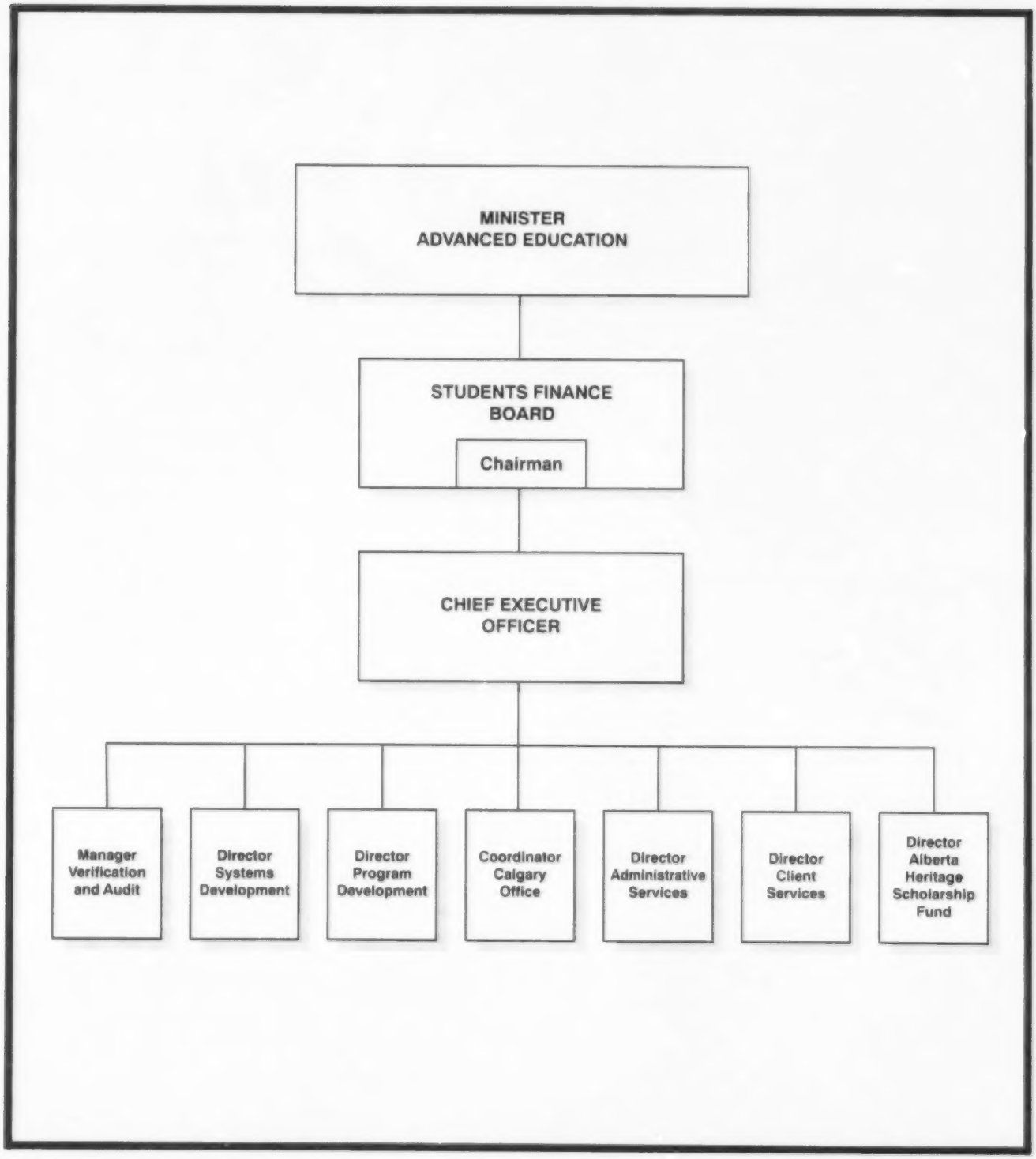
As in previous years, the Students Finance Board held meetings during 1990-91 with student representatives and student awards officers from across the province. These meetings provide the opportunity for the discussion of issues relating to the provision of financial aid to students.

The Students Finance Board would like to thank those Albertans who have served on the various committees of the Board throughout the 1990-91 year.

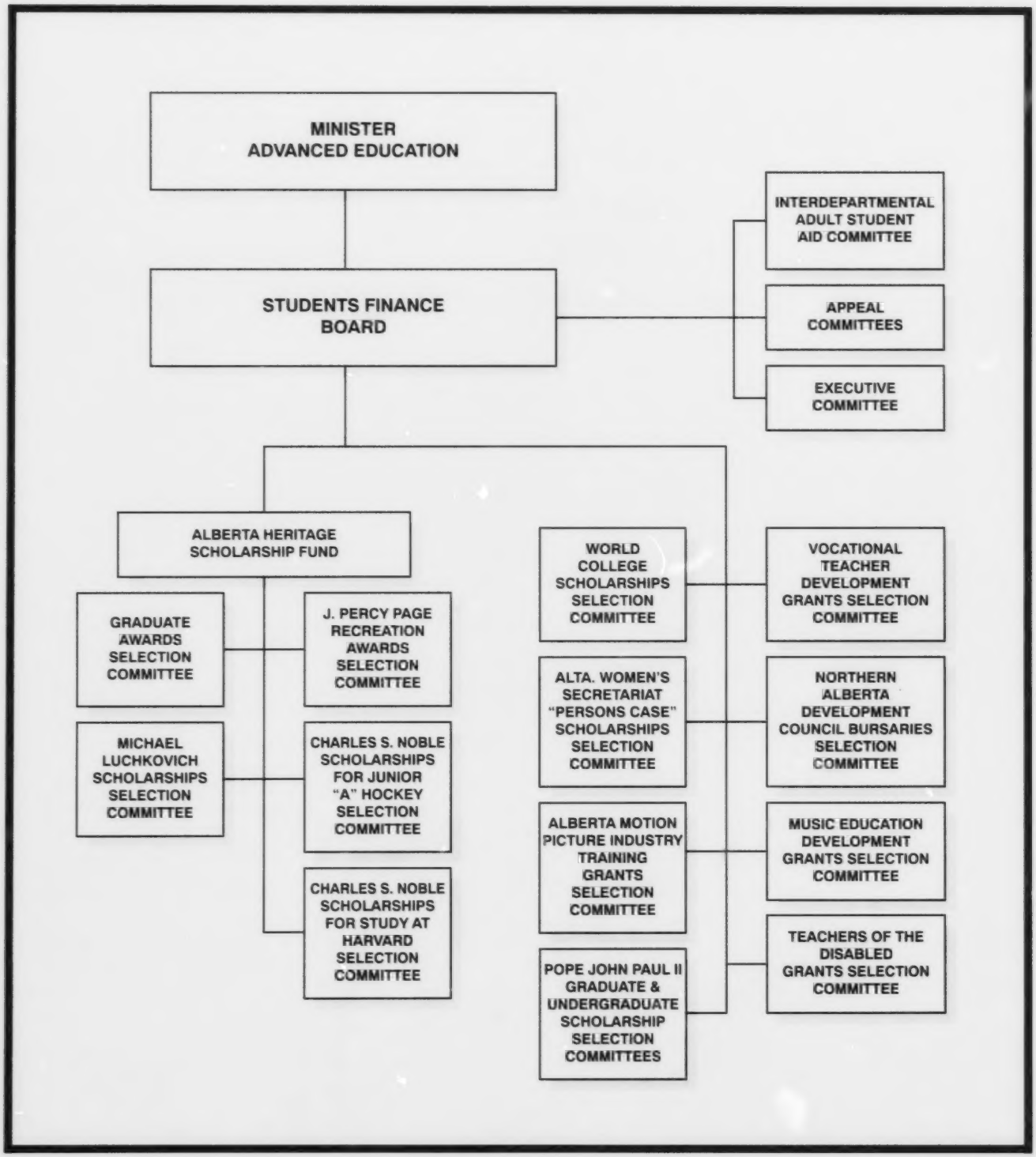
Respectfully submitted.

C.M. Barker
W. Gustafson
D. Hancock
M. Houghton
G. Houle
S. Langlois
B. Pastoor
G. Patzer
E. Reierson
S. Sivam
H. Torgerson, Chairman

STUDENTS FINANCE BOARD
Organization Chart
1 April 1991



STUDENTS FINANCE BOARD
Committees
1 April 1991


MINISTER
ADVANCED EDUCATION
STUDENTS FINANCE BOARD
INTERDEPARTMENTAL ADULT STUDENT AID COMMITTEE
APPEAL COMMITTEES
EXECUTIVE COMMITTEE
ALBERTA HERITAGE SCHOLARSHIP FUND
GRADUATE AWARDS SELECTION COMMITTEE
J. PERCY PAGE RECREATION AWARDS SELECTION COMMITTEE
MICHAEL LUCHKOVICH SCHOLARSHIPS SELECTION COMMITTEE
CHARLES S. NOBLE SCHOLARSHIPS FOR JUNIOR "A" HOCKEY SELECTION COMMITTEE
CHARLES S. NOBLE SCHOLARSHIPS FOR STUDY AT HARVARD SELECTION COMMITTEE
WORLD COLLEGE SCHOLARSHIPS SELECTION COMMITTEE
ALTA. WOMEN'S SECRETARIAT "PERSONS CASE" SCHOLARSHIPS SELECTION COMMITTEE
ALBERTA MOTION PICTURE INDUSTRY TRAINING GRANTS SELECTION COMMITTEE
POPE JOHN PAUL II GRADUATE & UNDERGRADUATE SCHOLARSHIP SELECTION COMMITTEES
VOCATIONAL TEACHER DEVELOPMENT GRANTS SELECTION COMMITTEE
NORTHERN ALBERTA DEVELOPMENT COUNCIL BURSARIES SELECTION COMMITTEE
MUSIC EDUCATION DEVELOPMENT GRANTS SELECTION COMMITTEE
TEACHERS OF THE DISABLED GRANTS SELECTION COMMITTEE

SUMMARY OF EXPENDITURES

	1990	1991
Grants and bursaries	$ 50,111,174	$ 41,591,459
Remission payments	31,837,527	30,145,026
Interest payments on guaranteed loans	9,226,746	10,893,746
Implementation of guarantees	7,755,134	7,220,063
Fellowships and scholarships	2,162,747	1,748,416
Administration expenses	4,758,584	5,464,681
Total	$105,851,912	$ 97,063,391

NEED-BASED PROGRAMS — HIGHLIGHTS

Principles Underlying Need-Based Programs:

- the cost of attending post-secondary institutions is a shared responsibility among students, parents and government
- student assistance is intended to be supplemental to the resources of students and their families

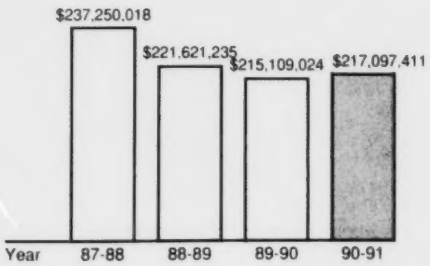
Students and their spouses are expected to assist with educational costs. Parents of students who have been out of high school for less than three years are expected to contribute if able to do so.

Assistance Limits

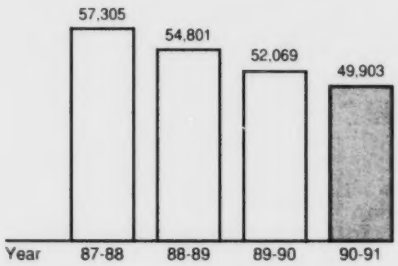
During 1990-91 Alberta students were normally eligible for assistance up to $7,500 per academic year. Undergraduates could receive loans to a maximum of $5,000 per academic year. Those who demonstrated a need for assistance beyond the $5,000 loan maximum were eligible to receive Supplemental Assistance Grant funding of up to an additional $2,500 per academic year. Graduate students, students enrolled in professional programs, i.e. medicine, law, dentistry, etc., and private vocational school students enrolled in programs of less than four semesters were eligible for loan assistance to a maximum of $7,500 per academic year.

1. Summary of Total Need-Based Assistance 1988-1991

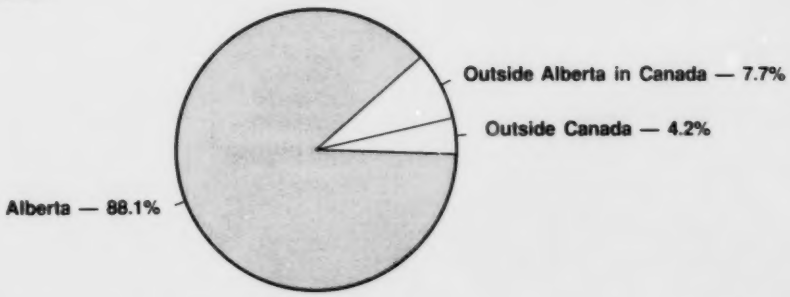
Value



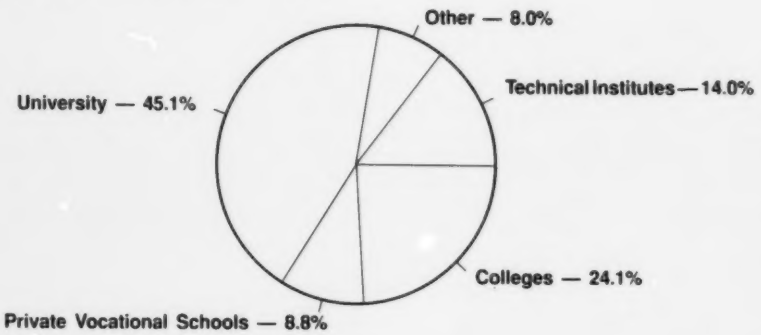
Students Assisted



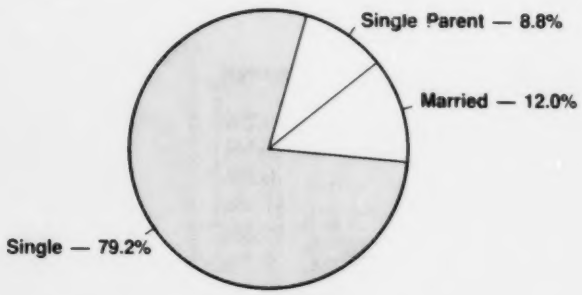
2. 1990-91 Summary of Need-Based Awards According to Institution Location



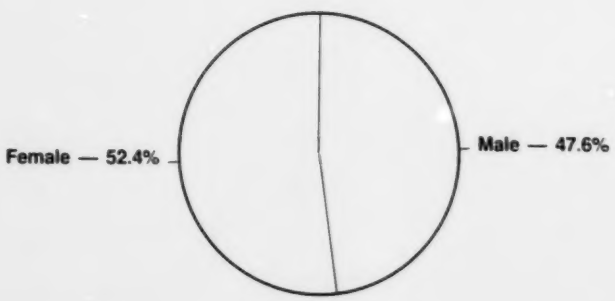
3. 1990-91 Summary of Students Receiving Need-Based Assistance According to Institution Type



4. Summary of Students Receiving Need-Based Assistance According to Marital Status



5. Summary of Students Receiving Need-Based Assistance According to Gender



6. Summary of Students Receiving Need-Based Assistance According to Age

Years	Students	Percent
Less than 19	5,256	10.5%
20 — 21	11,024	22.1%
22 — 23	11,111	22.3%
24 — 25	6,592	13.2%
26 — 27	4,413	8.8%
28 — 29	2,940	5.9%
30 — 31	2,089	4.2%
Over 31	6,478	13.0%
Total	49,903	100.0%

7. Parental Gross Income Ranges of 10,550 Single Dependent Students Who Received Need-Based Assistance

Parental Gross Income Ranges	Students	Percent
Less than $10,000	1,402	13.3%
10,001 — 15,000	997	9.5%
15,001 — 20,000	1,042	9.9%
20,001 — 25,000	1,170	11.1%
25,001 — 30,000	1,156	11.0%
30,001 — 35,000	1,021	9.7%
35,001 — 40,000	986	9.3%
40,001 — 45,000	839	8.0%
45,001 — 50,000	679	6.4%
Over $50,000	1,258	11.8%
Total	10,550	100.0%

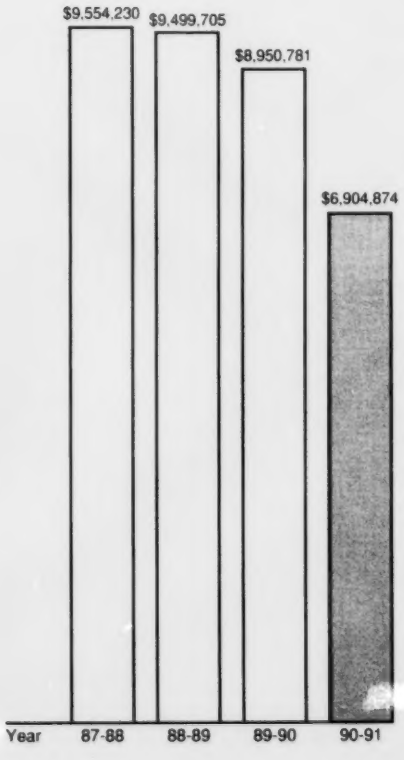
Alberta Educational Opportunity Equalization Grant
Assistance 1988 - 1991

Value: Up to $2,000 per academic year.

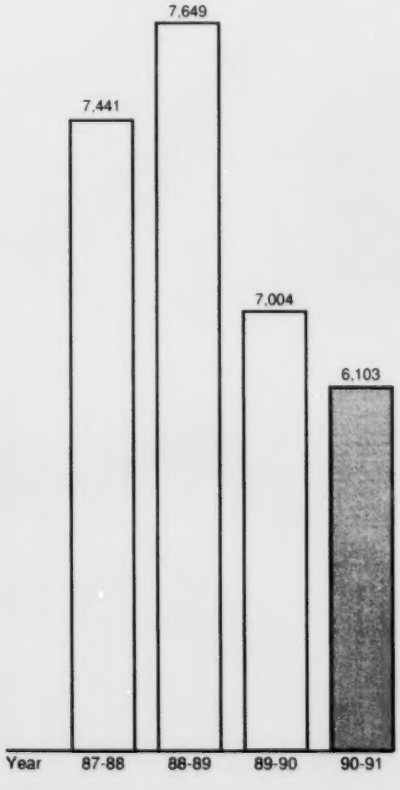
These grants may be provided to help offset the additional costs incurred by dependent students whose programs of study are not available within normal commuting distance of their parents' homes. To be eligible for these grants, students must demonstrate financial need.

6,103 students were awarded assistance totalling $6,904,874 under this program in 1990-91.

Value



Students Assisted



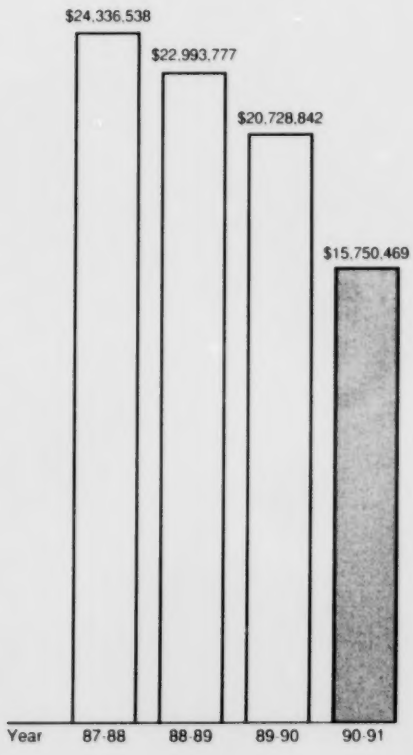
Supplemental Assistance Grant Assistance 1988 - 1991

Value: Up to $2,500 per academic year.

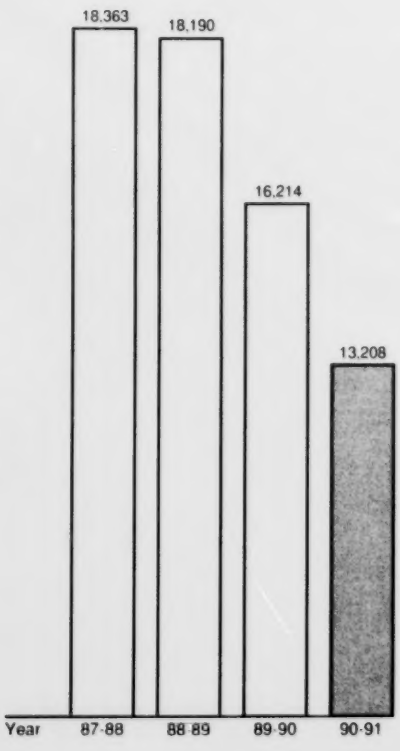
Supplemental assistance grants were established to aid those undergraduate students demonstrating a need for assistance which exceeds the loan maximum per academic year. The purpose of this grant program is to control the level of indebtedness of students upon graduation.

13,208 students were awarded assistance totalling $15,750,469 under this program in 1990-91.

Value



Students Assisted



Maintenance Grant Assistance 1988 - 1991

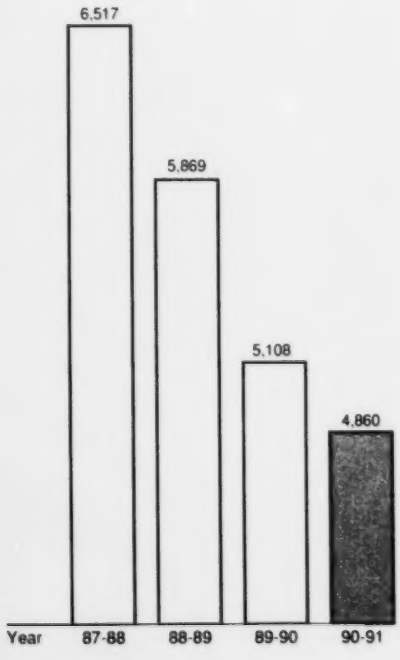
Value: Up to $6,000 per academic year.

The maintenance grant program was established to ensure that students with special needs have the opportunity to acquire undergraduate degrees. Students considered for these grants are those who do not have normal prospects of completing their education without assistance in addition to that provided under other programs, e.g. disabled persons and single parents. To be eligible for maintenance grant assistance, a student must be receiving a minimum loan of $1,000 under the Guaranteed Loans program.

4,860 students were awarded assistance totalling $16,870,163 under this program in 1990-91.

Value

Students Assisted



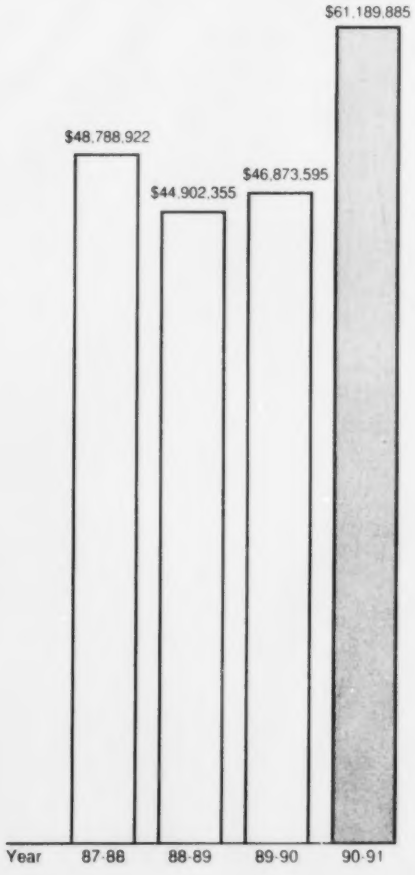
Provincial Guaranteed Student Loan Assistance
1988 - 1991

This program was implemented by the Province in 1969 to supplement the assistance available to Alberta students under the Canada Student Loans program.

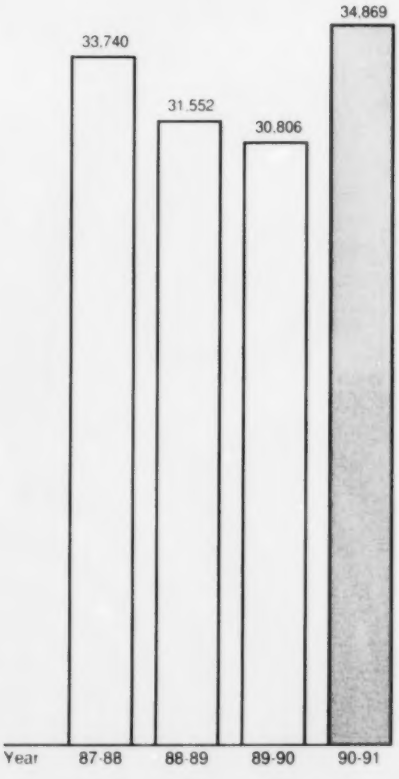
The interest on these loans is paid by the Province while the individual is attending a post-secondary institution, and for six months after he or she ceases to be a full-time student. At that time, the individual assumes responsibility for principal and interest payments.

34,869 students were awarded assistance totalling $61,189,885 under this program in 1990-91.

Value



Students Assisted



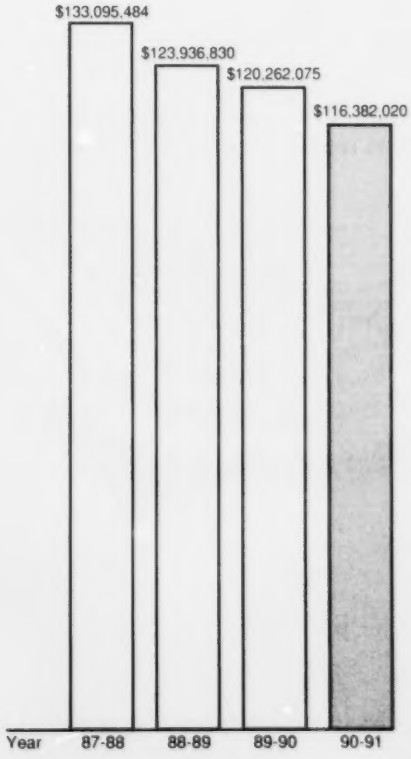
Canada Student Loan Assistance 1988 - 1991

The Canada Student Loans program was established in 1964. The Students Finance Board is the designated authority for the administration of these loans in Alberta.

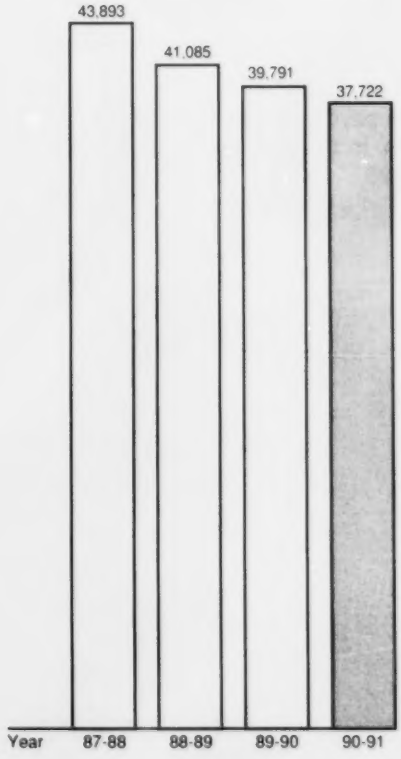
The interest on these loans is paid by the federal government while the individual is attending a post-secondary institution, and for six months after he or she ceases to be a full-time student. At that time, the individual assumes responsibility for principal and interest payments.

In 1990-91, a total of 37,722 students were issued Canada Student Loans amounting to $116,382,020.

Value



Students Assisted



REMISSION PROGRAM

The remission program was implemented by the Province in 1971. Remission is that portion of a student's loan which may be repaid by the province on the student's behalf when he or she has ceased to be a full-time student.

Students qualify for remission if the following conditions have been met to the satisfaction of the Students Finance Board:

- savings were adequate in relation to earnings;
- a reasonable contribution has been made by parents, spouse or sponsor;
- full-time enrollment was maintained during the period for which assistance was provided;
- the initial arrangements for repayment of student loans have been made, i.e., loans have been consolidated.

For the period from 1987 to 1990 an exemption equal to $1,000 times the number of years in a student's program was applied in the awarding of remission. Remission was then calculated at 40% of loans in excess of the exemption amount.

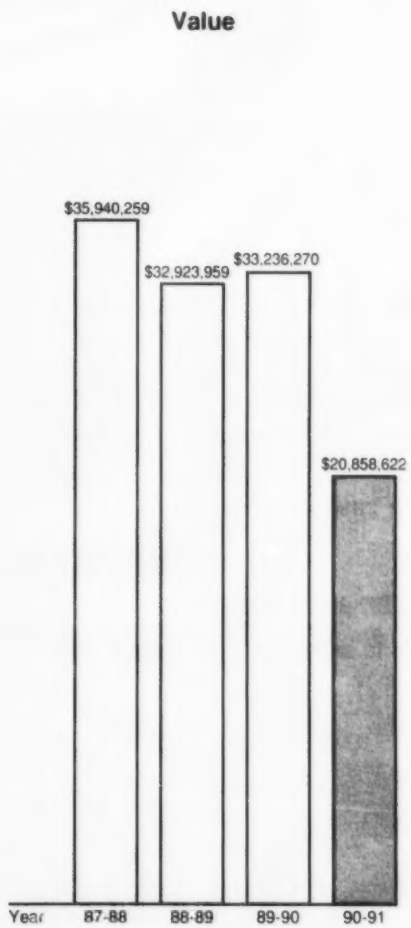
As of May, 1990, the remission program was revised. With respect to loans awarded after that date, remission is not paid on Canada Student Loans and loans are completely repayable below established debt limits. Remission is payable on Alberta loan amounts only when the total indebtedness of the combined Canada and Alberta loans exceeds established debt limits.

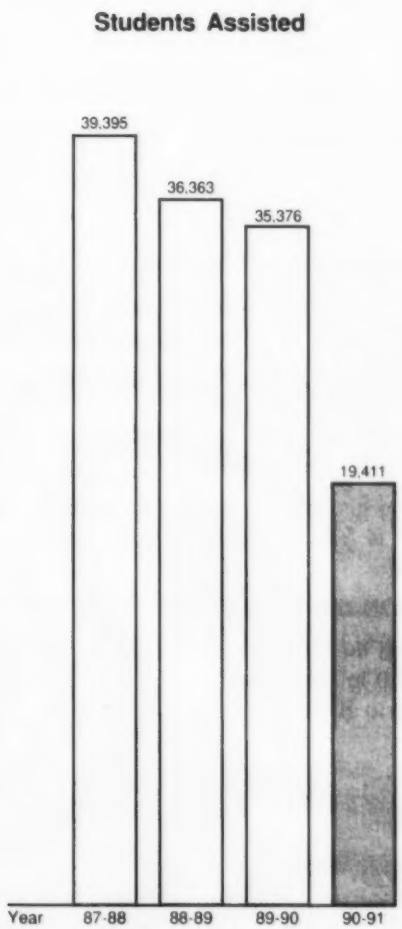
Applications for remission are available at credit institutions in Alberta, and are submitted to the Students Finance Board after consolidation of student loans.

In 1990-91, 19,411 students were awarded remission amounting to $20,858,622 which will be issued upon graduation.

Remission payments are sent directly to the lending institution and applied to the student's outstanding loan obligations. In this manner, during 1990-91, 14,738 students received remission benefits which amounted to $30,145,026.

Summary of Remission Awarded 1988 - 1991





SCHOLARSHIPS, FELLOWSHIPS, BURSARIES, AND GRANTS

GRADUATE SCHOLARSHIPS AND FELLOWSHIPS

Awarded to Canadian citizens or permanent residents who are registered as full-time students in graduate studies at the University of Alberta, The University of Calgary, or The University of Lethbridge.
Value: Scholarships: $9,300 Fellowships: $10,500

UNITED WORLD COLLEGE SCHOLARSHIPS

Awarded to selected Alberta students who have completed grade 11. These scholarships provide two years of study at United World Colleges located in Canada, Wales, the U.S.A., Singapore, Swaziland and Italy. Eight new scholarships are awarded each year.

Two of these scholarships were established in 1983 to commemorate the visit to Alberta of His Royal Highness Prince Charles, who is President of the International Council of the United World Colleges.
Value: The cost of tuition, room and board, and one round trip between the student's home and the United World College per year.

POPE JOHN PAUL II COMMEMORATIVE SCHOLARSHIPS

Awarded to a maximum of two undergraduate students and four graduate students to facilitate the pursuit of native studies, international studies with respect to third world countries, or ecumenical studies.
Value: Undergraduate level: $5,000 Masters level: $10,000

BANFF CENTRE BURSARIES

Awarded to students enrolled in visual and performing arts programs at The Banff Centre for Continuing Education. These bursaries are awarded on the basis of financial need and past achievement in the subject matter being studied.
Value: Cost of tuition

HIGH SCHOOL BURSARIES

Awarded to junior and senior high school students on the basis of need.
Value: Up to $300

EDUCATION OF SERVICEMEN'S CHILDREN BURSARIES

Awarded to the children of disabled war veterans in order to assist them in meeting their educational costs in grades 9 to 12 inclusive.
Value: Up to $300

PART-TIME BURSARIES

Awarded to students on the basis of need in order to cover the cost of tuition, books and materials, transportation and child care costs.
Value: Up to $300 per academic term

GRANTS FOR DISABLED PERSONS

Grants are provided to students who are physically or mentally disabled and who, in the opinion of the Board, require extraordinary assistance not available through other programs.
Value: Up to $1,000 per semester

GOVERNMENT OF ALBERTA SCHOLARSHIPS

Special purpose scholarships awarded by the Students Finance Board.
Value: Maximum of $8,000 per year plus tuition, books and transportation costs. A $1,000 research allowance may be issued once during the course of the student's program.

QUEEN ELIZABETH SCHOLARSHIPS IN CANADIAN STUDIES

Awarded to students in the final year of an undergraduate degree program which focuses primarily or uniquely on aspects of Canadian culture or problems significant to Canada.
Value: $1,000

ALBERTA MOTION PICTURE INDUSTRY TRAINING GRANTS

Awarded to:
a) individuals already established within the motion picture industry who wish to further develop their skills by attending short courses or seminars, and
b) individuals who have achieved advanced status within the industry who wish to pursue further formal training.

Value: a) Up to $5,000 b) Up to $13,000

LANGUAGE DEVELOPMENT GRANTS

Awarded to individuals who are enrolled in programs designed to enhance the teaching of any language other than English and French in Alberta. Recipients are recommended by the Minister of Education or his delegate.
Value: Up to $2,000 in any one year

RETURN-SERVICE PROGRAMS

VOCATIONAL TEACHER DEVELOPMENT GRANTS

A return-service program provided to students in the vocational teacher certification program who intend to be employed by a school board in Alberta upon graduation.
Value: Up to $22,000

NORTHERN ALBERTA DEVELOPMENT COUNCIL BURSARIES

A return-service program provided, primarily, to students raised in northern Alberta who will be employed in northern Alberta on completion of their studies.
Value: Up to $3,500 per academic year, if single
Up to $6,000 per academic year, if married

In circumstances where either the field of study or the remote location makes recruitment difficult, special incentive bursaries may be provided under this program.
Value: $7,000 per academic year, if single
$12,000 per academic year, if married

Under this program, bursaries with no associated return-service obligation may be awarded to students enrolled in short-term courses in northern Alberta.
Value: Up to $1,500 per academic year

TEACHERS OF THE DISABLED GRANTS

A return-service program provided to students enrolled in full-time graduate programs in areas related to the teaching of disabled persons.
Value: Up to $10,000

MUSIC EDUCATION DEVELOPMENT GRANTS

A return-service program provided to students who are enrolled in a program of study related to music education who intend to be employed by a school board in Alberta upon graduation.
Value: Up to $20,000

SUMMARY OF TOTAL AWARDS

	1988-89	1989-90	1990-91
Alberta Educational Opportunity Equalization Grants	$ 9,499,705	$ 8,950,781	$ 6,904,874
Supplemental Assistance Grants	22,993,777	20,728,842	15,750,469
Maintenance Grants	20,288,568	18,293,731	16,870,163
Guaranteed Provincial Loans	44,902,355	46,873,595	61,189,885
Canada Student Loans	123,936,830	120,262,075	116,382,020
Remission Awards	32,923,959	33,236,270	20,858,622
Province of Alberta Scholarships	206,400	206,600	—
Province of Alberta Prizes	176,550	220,150	—
Graduate Scholarships and Fellowships	1,174,800	1,268,600	1,266,600
United World College Scholarships	230,477	239,865	272,183
Pope John Paul II Commemorative Scholarships	52,500	50,000	55,000
Banff Centre Bursaries	28,152	44,091	47,025
High School Bursaries	240,685	269,340	328,140
Education of Servicemen's Children Bursaries	750	750	750
Part-Time Bursaries	855,963	821,210	825,023
Grants for Disabled Persons	93,944	120,375	154,535
Government of Alberta Scholarships	237,882	163,532	135,633
Queen Elizabeth Scholarships in Canadian Studies	19,000	14,000	19,000
Alberta Motion Picture Industry Training Grants	12,978	13,111	6,927
Music Education Development Grants	53,000	58,000	60,000
Language Development Grants	4,742	8,789	11,205
Vocational Teacher Development Grants	11,000	—	17,600
Northern Development Council Bursaries	597,475	781,154	589,748
Teachers of the Disabled Grants	27,000	21,000	25,000
Total	$258,568,492	$252,645,861	$241,770,402

APPENDIX 1
GUARANTEED PROVINCIAL LOANS

PROVINCIAL LIABILITY	1988-89	1989-90	1990-91
O/S Loans — Students in School	$ 86,387,397	$ 90,272,348	$ 105,245,466
— Interest Relief	—	1,527,759	2,586,877
— Graduates	34,958,162	34,837,870	37,625,746
Total	$ 121,345,559	$ 126,637,977	$ 145,458,089
Loans Issued	$ 44,902,355	$ 46,873,595	$ 61,189,885
Interest Paid to Banks	8,628,086	9,226,746	10,893,746
Bank Claims Paid	8,871,168	7,755,134	7,220,063

APPENDIX 2
INTEREST RELIEF PROGRAM ACTIVITY

In 1989 the provincial Interest Relief Program was established. Under this program, defaults on student loans are prevented through the provision of additional interest free periods to graduates who, due to low income, are unable to make payments on their provincial student loans. Interest relief is granted for six month periods to a maximum of eighteen months. Applications for interest relief are available from credit institutions holding provincial student loans and from the Students Finance Board offices in Edmonton and Calgary.

The following summarizes the status of individuals granted interest relief during 1990-91:

Number continuing to receive interest relief	385
Number presently honouring their student loan obligations	1,122
Number who have repaid their student loans	217
Number who are presently attending school	107
Number who have defaulted on their student loans	56
Total number granted interest relief	**1,887**

The value of provincial loan defaults avoided during this period was $3,553,044.

APPENDIX 3
APPEAL ACTIVITY

A student may request a review of the amount of assistance awarded by the Board by forwarding a completed "Request for Appeal" form to the Students Finance Board. Subsequently, a counsellor will review the situation and may adjust the award within prescribed limits.

Appeals not resolved by this process are submitted, upon the student's request, to the Appeal Committees which meet in Edmonton and Calgary. Appointed by the Minister of Advanced Education, these Committees are comprised of members of the public and student representatives.

During 1990-91 a total of 54,311 students applied for assistance. 49,903 students received support. Of the total number who applied, 11,276 students, i.e. 20.8%, requested a review of their award due to the changes in circumstances or because they were requesting funding for costs not normally recognized by the Board.

A total of $14.7 million in loans and grants was issued on appeal in 1990-91. $10.1 million of this amount was issued due to students' circumstances changing after their applications had been submitted, resulting in increased eligibility under the Board's normal guidelines for support. $4.6 million was provided to cover expenses which fell outside normal guidelines for support. These funds were necessary to ensure that students could continue their education.